

AMENDED IN ASSEMBLY MAY 5, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2026

Introduced by Assembly Member Stone

February 20, 2014

An act to amend ~~Sections 798.73.5 and~~ *Section 798.74* of the Civil Code, relating to mobilehome parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 2026, as amended, Stone. Mobilehome parks: sales.

~~Existing law authorizes the management of a mobilehome park, in the case of a sale or transfer of a mobilehome that is sold and that will remain in the park, to require repairs or improvements to the mobilehome, its appearances, or any accessory structure only if specified conditions are met, including that the repair or improvement based upon or required by a local ordinance or state statute or regulation relating to mobilehomes.~~

~~This bill would require a determination following an inspection by the appropriate enforcement agency that the repair or improvement is required by the local ordinance or state statute or regulation in order for the management to require the repair or improvement.~~

Existing law authorizes the management of a mobilehome park to require prior approval of a purchaser of a mobilehome that will remain in the park. Existing law also prohibits management from withholding approval if the purchaser has the ability to pay the rent and charges of the park, except as specified. Existing law authorizes management to require the purchaser to document the amount and source of his or her

gross monthly income or other means of support but prohibits management from requiring personal income tax returns as evidence. Existing law requires management, upon request of any prospective homeowner who proposes to purchase a mobilehome that will remain in the park, to inform that person of the information that management will require to determine if the person will be acceptable as a homeowner in the park. Existing law permits the management or owner to be held liable for all damages if the approval of a prospective homeowner is withheld for any unauthorized reason.

This bill would require the purchaser to be presumed to have the financial ability to pay the rent and charges of the park if he or she has been approved for a loan to purchase the mobilehome that the purchaser intends to occupy, or if the purchaser has not been approved for a loan, based upon consideration of all information provided by the purchaser regarding his or her assets and ability to generate income demonstrating sufficient monthly income that meets or exceeds the income standard disclosed by management. The bill would prohibit that income standard from exceeding a multiplier of 3 times the purchaser's income over the projected housing-related expenses to be paid by the purchaser in connection with the proposed mobilehome tenancy. The bill would prohibit management from withholding approval on the basis that the prospective purchaser will not comply with the rules and regulations of the ~~park~~. *park unless the prospective purchaser has been evicted from the same park where he or she is applying for residency or the determination is reasonably based upon the prospective purchaser's prior tenancies within the 3 years preceding the purchaser's application.* The bill would also prohibit management from withholding approval solely because the purchaser owns another mobilehome or real property residence and from requiring that the mobilehome being purchased be the sole residence of the purchaser. The bill would require management, upon request, to provide a prospective purchaser with a list of information that management will require in order to determine if the person will be acceptable as a homeowner in the park and a copy of the current written procedures, standards, or requirements that will be used by management to evaluate the purchaser's application. ~~This~~ *The* bill would require the management, if a prospective homeowner is denied approval and if requested, to meet with the purchaser or homeowner at which time the management would be required to reconsider the ~~denial based upon denial~~. *including any additional information relevant to the application provided by the prospective homeowner.* ~~This bill would~~

permit the management or owner to be held liable for damages to either the selling homeowner or the prospective homeowner if the approval is withheld for any unauthorized reason.

Vote: majority. Appropriation: no. Fiscal committee: yes-no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 798.73.5 of the Civil Code is amended~~
2 ~~to read:~~
3 ~~798.73.5. (a) In the case of a sale or transfer of a mobilehome~~
4 ~~that will remain in the park, the management may only require~~
5 ~~repairs or improvements to the mobilehome, its appurtenances, or~~
6 ~~an accessory structure that meet all of the following conditions:~~
7 ~~(1) Except as provided by Section 798.83, the repair or~~
8 ~~improvement is to the mobilehome, its appurtenances, or an~~
9 ~~accessory structure that is not owned and installed by the~~
10 ~~management.~~
11 ~~(2) The repair or improvement is based upon or is required by~~
12 ~~a local ordinance or state statute or regulation relating to~~
13 ~~mobilehomes, or a rule or regulation of the mobilehome park that~~
14 ~~implements or enforces a local ordinance or a state statute or~~
15 ~~regulation relating to mobilehomes, as determined following an~~
16 ~~inspection by the appropriate enforcement agency, as defined in~~
17 ~~Section 18207 of the Health and Safety Code.~~
18 ~~(3) The repair or improvement relates to the exterior of the~~
19 ~~mobilehome, its appurtenances, or an accessory structure that is~~
20 ~~not owned and installed by the management.~~
21 ~~(b) The management, in the case of sale or transfer of a~~
22 ~~mobilehome that will remain in the park, shall provide a~~
23 ~~homeowner with a written summary of repairs or improvements~~
24 ~~that management requires to the mobilehome, its appurtenances,~~
25 ~~or an accessory structure that is not owned and installed by the~~
26 ~~management no later than 10 business days following the receipt~~
27 ~~of a request for this information, as part of the notice required by~~
28 ~~Section 798.59. This summary shall include specific references to~~
29 ~~park rules and regulations, local ordinances, and state statutes and~~
30 ~~regulations relating to mobilehomes upon which the request for~~
31 ~~repair or improvement is based.~~

~~(e) The provisions of this section enacted at the 1999-2000 Regular Session of the Legislature are declarative of existing law as they pertain to allowing park management to enforce park rules and regulations; these provisions specifically limit repairs and improvements that can be required of a homeowner by park management at the time of sale or transfer to the same repairs and improvements that can be required during any other time of a residency.~~

~~SEC. 2.~~

SECTION 1. Section 798.74 of the Civil Code is amended to read:

798.74. (a) The management may require the right of prior approval of a purchaser of a mobilehome that will remain in the park and that the selling homeowner or his or her agent give notice of the sale to the management before the close of the sale. Approval shall not be withheld if the purchaser has the financial ability to pay the rent and charges of the park unless the management reasonably determines that, based on the purchaser's prior tenancies, he or she will not comply with the rules and regulations of the park. In determining whether the purchaser has the financial ability to pay the rent and charges of the park, the management shall not require the purchaser to submit copies of any personal income tax returns in order to obtain approval for residency in the park. However, management may require the purchaser to document the amount and source of his or her gross monthly income or means of financial support. *support, but in no event shall the income standard exceed a multiplier of three times the purchaser's income over the projected housing-related expenses to be paid by the purchaser in connection with the proposed mobile home tenancy.*

(b) For purposes of determining the prior approval of a purchaser pursuant to this section, all of the following shall apply:

(1) A purchaser shall be presumed to have the financial ability to pay the rent and charges of the park if the purchaser has been approved by a state or federally chartered financial institution for a loan to purchase the mobilehome that the purchaser intends to occupy and written documentation confirming this fact has been provided to management.

(2) If the purchaser has not been approved for a loan to purchase the mobilehome pursuant to paragraph (1), the management shall

1 determine the purchaser's financial ability to pay the rent and
2 charges of the park based upon consideration of all information
3 provided by the purchaser regarding his or her assets and ability
4 to generate income, including, but not limited to, savings accounts,
5 certificates of deposit, stock portfolios, trust interests of which the
6 purchaser is the beneficiary, real property, and similar financial
7 assets that can be liquidated or sold. A purchaser who demonstrates
8 sufficient monthly income from all sources that meets or exceeds
9 the income standard ~~disclosed by management pursuant to~~
10 ~~subdivision (d) established pursuant to subdivision (a)~~ shall be
11 presumed to have the financial ability to pay the rent and charges
12 of the park.

13 (3) Management shall not withhold approval on the basis that
14 the purchaser will not comply with the rules and regulations of the
15 park unless ~~management provides the purchaser with documentary~~
16 ~~evidence that the purchaser has failed to comply with the rules and~~
17 ~~regulations during a previous tenancy within the three years~~
18 ~~preceding the purchaser's application for tenancy; either of the~~
19 ~~following apply:~~

20 (A) *The prospective purchaser has been evicted from the same*
21 *park where he or she is applying for residency at any time*
22 *preceding the purchaser's application for tenancy.*

23 (B) *Management reasonably determines, based upon the*
24 *prospective purchaser's prior tenancies within the three years*
25 *preceding the purchaser's application, that the prospective*
26 *purchaser will not comply with the rules and regulations of the*
27 *park. If management withholds approval on this basis, it shall*
28 *provide the prospective purchaser with documentary evidence*
29 *supporting this determination in the written rejection of the*
30 *purchaser's application pursuant to subdivision (e).*

31 (c) Management shall not withhold approval solely because the
32 purchaser owns another mobilehome or real property residence.
33 Management shall not require that the mobilehome that is the
34 subject of the purchase be the sole residence of the purchaser as a
35 condition of granting approval.

36 (d) Upon request of any prospective homeowner who proposes
37 to purchase a mobilehome that will remain in the park, management
38 shall provide that person with a list of the information management
39 will require in order to determine if the person will be acceptable
40 as a homeowner in the park, and a copy of the current written

1 procedures, standards, or requirements that will be used by
2 management to evaluate the purchaser's application, including,
3 but not limited to, minimum income standards that will be used
4 to determine the purchaser's financial ability *to pay* the rent and
5 charges of the park pursuant to paragraph (2) of subdivision (b).
6 ~~The income standard shall not exceed a multiplier of three times~~
7 ~~the purchaser's income over the projected housing-related expenses~~
8 ~~to be paid by the purchaser in connection with the proposed~~
9 ~~mobilehome tenancy.~~

10 (e) Within 15 business days of receiving all of the information
11 requested from the prospective homeowner, the management shall
12 notify the seller and the prospective homeowner, in writing, of
13 either acceptance or rejection of the application, and the specific
14 reason or reasons, if rejected. During this 15-day period the
15 prospective homeowner shall comply with the management's
16 request, if any, for a personal interview. If a prospective
17 homeowner is denied approval, within five business days of
18 receiving the denial, the selling homeowner and the prospective
19 homeowner may request an in-person meeting with management.
20 If requested, the meeting shall take place within 10 *business* days,
21 at which time the management shall reconsider its ~~denial based~~
22 ~~upon any additional information provided by the prospective~~
23 ~~homeowner. denial, including the consideration of any additional~~
24 ~~information relevant to the application provided by the prospective~~
25 ~~homeowner.~~ If the approval of a prospective homeowner is
26 withheld for any reason other than those stated in this article, the
27 management or owner may be held liable for all damages ~~to the~~
28 ~~selling homeowner and the prospective homeowner~~ proximately
29 resulting therefrom.

30 (f) If the management collects a fee or charge from a prospective
31 purchaser of a mobilehome in order to obtain a financial report or
32 credit rating, the full amount of the fee or charge shall be credited
33 toward payment of the first month's rent for that mobilehome
34 purchaser. If, for whatever reason, the prospective purchaser is
35 rejected by the management, the management shall refund to the
36 prospective purchaser the full amount of that fee or charge within
37 30 days from the date of rejection. If the prospective purchaser is
38 approved by the management, but, for whatever reason, the
39 prospective purchaser elects not to purchase the mobilehome, the

- 1 management may retain the fee, or a portion thereof, to defray its
- 2 administrative costs under this section.

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